



General Assembly

January Session, 2007

Amendment

LCO No. 9351

SB0139609351HDO

Offered by:

REP. TABORSAK, 109th Dist.

To: Subst. Senate Bill No. 1396

File No. 403

Cal. No. 725

**"AN ACT CONCERNING THE STATE PURCHASE OF SERVICE
CONTRACTS FOR HEALTH AND HUMAN SERVICES."**

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. (NEW) (*Effective July 1, 2008, and applicable to contracts*
4 *entered into, renewed or extended on or after said date*) (a) No provision in a
5 written contract for the purchase or lease of goods or services
6 primarily for personal, family or household purposes that provides for
7 the payment of liquidated damages in the event of a breach of the
8 contract shall be enforceable unless (1) the contract contains a
9 statement in boldface type at least twelve points in size immediately
10 following such liquidated damages provision stating "I
11 ACKNOWLEDGE THAT THIS CONTRACT CONTAINS A
12 LIQUIDATED DAMAGES PROVISION", and (2) the person against
13 whom such provision is to be enforced signs such person's name or
14 writes such person's initials next to such statement. Nothing in this
15 section shall validate a clause that is a penalty clause or is otherwise

16 invalid under the law of this state.

17 (b) The provisions of subsection (a) of this section shall not apply to
18 (1) contracts between a consumer and an agency of the state or any
19 political subdivision of the state or of the federal government, (2)
20 negotiable instruments, and (3) contract provisions for late fees,
21 prepayment penalties or default interest rates."